



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



FEBRUARY 8, 1999

BNSF, UP Coordinate Dispatching. In what is to be the largest agreement in history, Burlington Northern-Santa Fe Railroad (BNSF) and Union Pacific Railroad (UP) have agreed to coordinate dispatching in three key western rail markets. Establishing centers in three of the Nation's busiest rail service areas, San Bernardino, CA; Kansas City, MO; and Wyoming's Powder River Basin, is expected to greatly increase operating efficiencies and customer service. The centers will be modeled after a similar agreement between BNSF and UP in Spring, TX, which has proven to greatly improve service for Houston and Gulf Coast areas, a region which had experienced intense service problems prior to the agreement. In referring to the Spring center, Dennis Duffy, UP's executive vice president of operations, stated, "We can use the same approach to overcome difficult operating issues in other areas of the country which have similar unique strategic circumstances." Among the improvements in the Gulf region were a reduction in the number of blocked sidings from six to zero. This occurred during the first 60 days after the opening of the Spring facility and is one factor which significantly helped to increase velocity and improve schedule adherence. BNSF chief operating officer, Matt Rose, emphasized that in regions where two or more railroads share track and are interdependent for operating efficiencies, "improved cooperation and communication in the dispatching process are keys to enhance the level of service." Other commuter and freight railroads within the designated regions, will also be invited to take part in the joint dispatch operations. (*Grainnet.com, Journal of Commerce*)

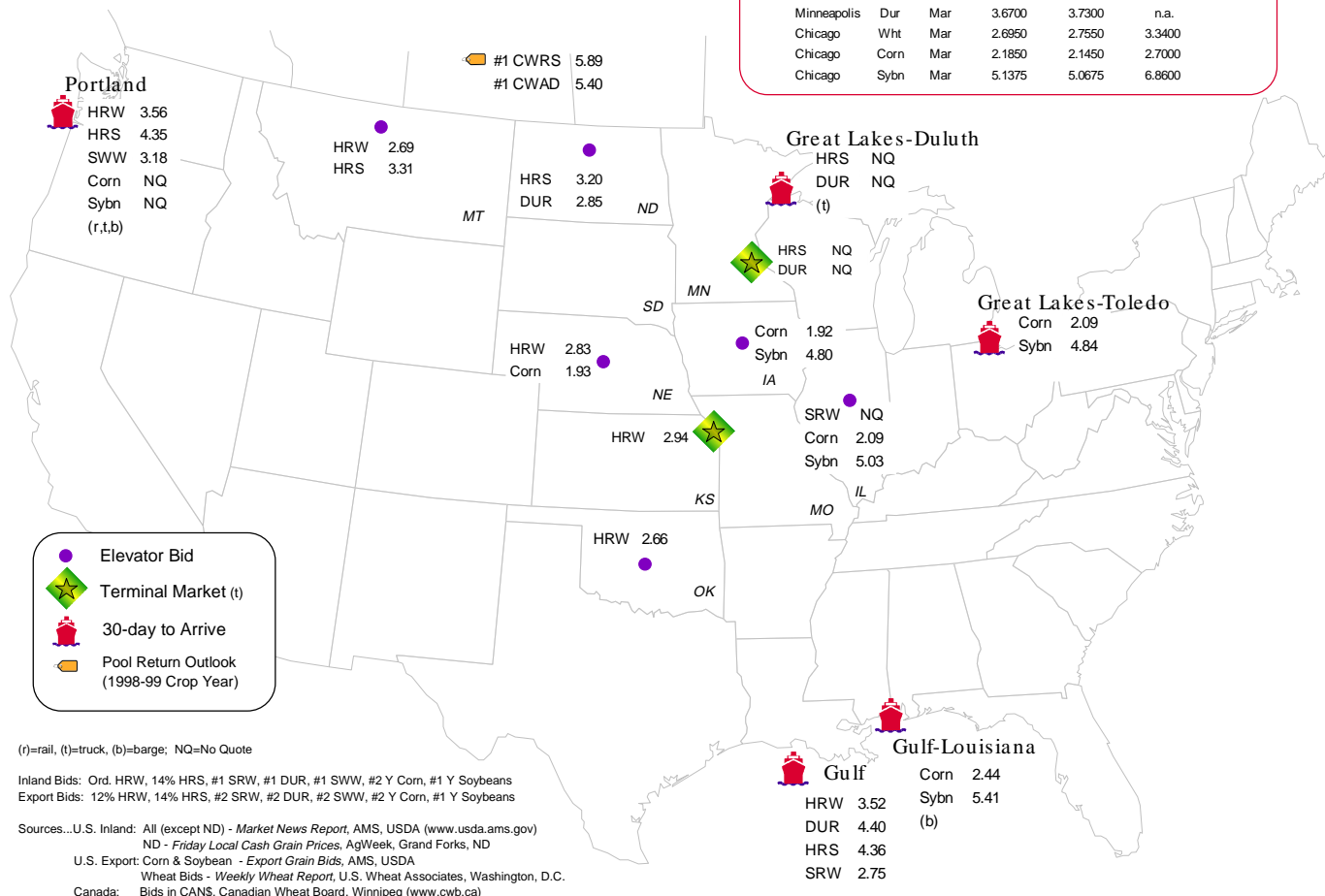
AAPA Encourages Dredging. The American Association of Port Authorities (AAPA) has urged Congress to enact the Water Resources Development Act (WRDA), to help port areas sustain employment and assist with other economic improvements. The Ports of Oakland, CA; New York and New Jersey; Baltimore, MD; Savannah and Brunswick, GA; and Jacksonville, FL, are pushing for the passage of the WRDA early in the 106th congressional legislative session. One project being proposed includes dredging for the Ports of Savannah and Brunswick, the latter of which has a grain import and export terminal. According to James McMurry, manager of legislative affairs at the Port of Brunswick, the port has not been deepened in almost 40 years and is experiencing operational constraints for 57 percent of the vessels calling at the port. "The navigation channel at the Port of Brunswick has not kept pace with the requirements of today's modern vessels," states McMurry. Congress adjourned in October 1998 without passing the WRDA, which would have authorized channel deepening projects for Brunswick. (*Grainnet.com, American Association of Port Authorities*)

UP To Increase Its Share In Mexican Railroad. Increasing what is already the largest share of traffic between the United States and Mexico, Union Pacific Railroad (UP) has agreed to double its share in the Mexican railroad, Ferromex to 26 percent. Grupo Mexico, a Mexican copper producer, holds the remaining 74 percent. The 13-percent share is being sold to UP by Constructora ICA, a Mexican construction company. In 1997, the Mexican government sold a 50-year concession to UP, Grupo Mexico, and ICA to operate the 4,052-mile Pacific North Railroad, as well as a 938-mile short line. According to UP spokesman, Mark Davis, "We continue to see great potential in that railroad," adding that the railroad has become more efficient since the group made the purchase. (*Grainnet.com, Journal of Commerce, Knight Ridder*)

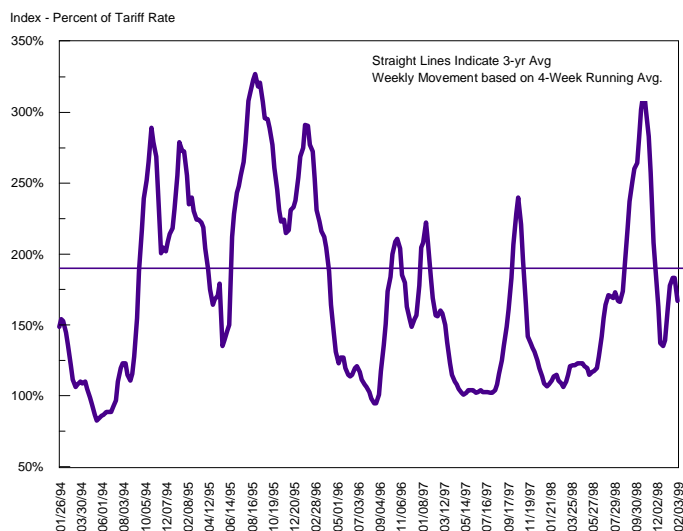
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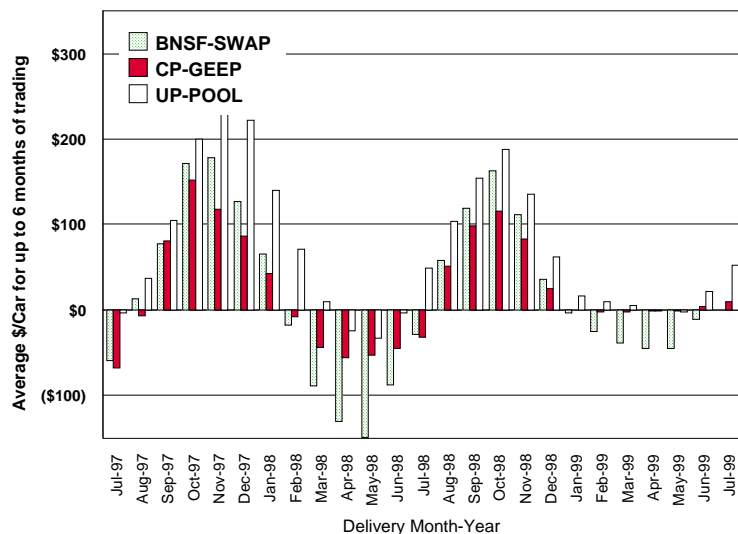
Grain Bid Summary



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Rail Car 'Auction' Offerings				
Delivery for:	Feb-99		Mar-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	5,158	18%	5,764	7%
UP-GCAS	5,000	19%	5,000	11%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Feb-99	Mar-99	Apr-99	May-99
BNSF-GF	\$0	\$(31)	\$(58)	\$(58)
CP-GEEP	\$(10)	\$(9)	\$0	\$0
UP-Pool	\$(1)	\$(1)	\$(4)	\$(4)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Feb-99	Mar-99	Apr-99
COT/N. Grain	no offer	no offer	no offer
COT/S. Grain	no offer	no offer	no offer
GCAS/Region 2	\$1	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values***

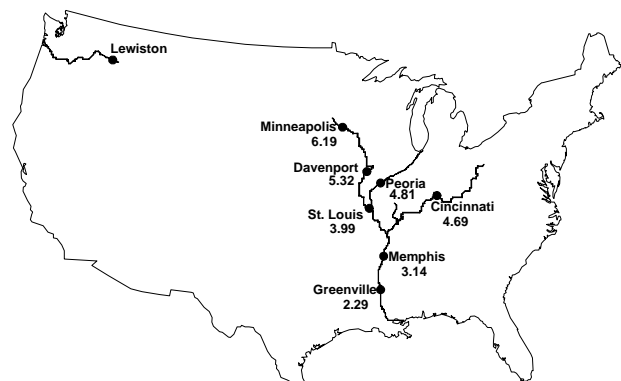
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
2/5/99	Illinois River	Feb.	147.5
	St. Louis	twk	115
	Cincinnati	twk	120
		nwk	115
	Lower Ohio River	twk	117.5
	Mid Miss.	30 day open	150

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

twk=this week
nwk=next week**Southbound Barge Freight Spot Rates**

	2/3/99	1/27/99	March '99	May '99
Twin Cities	nq	nq	185	174
Mid-Mississippi	nq	nq	155	143
Illinois River	157	158	143	132
St. Louis-Cairo	115	115	111	108
Lower Ohio	116	119	116	112
Cairo-Memphis	100	100	102	102

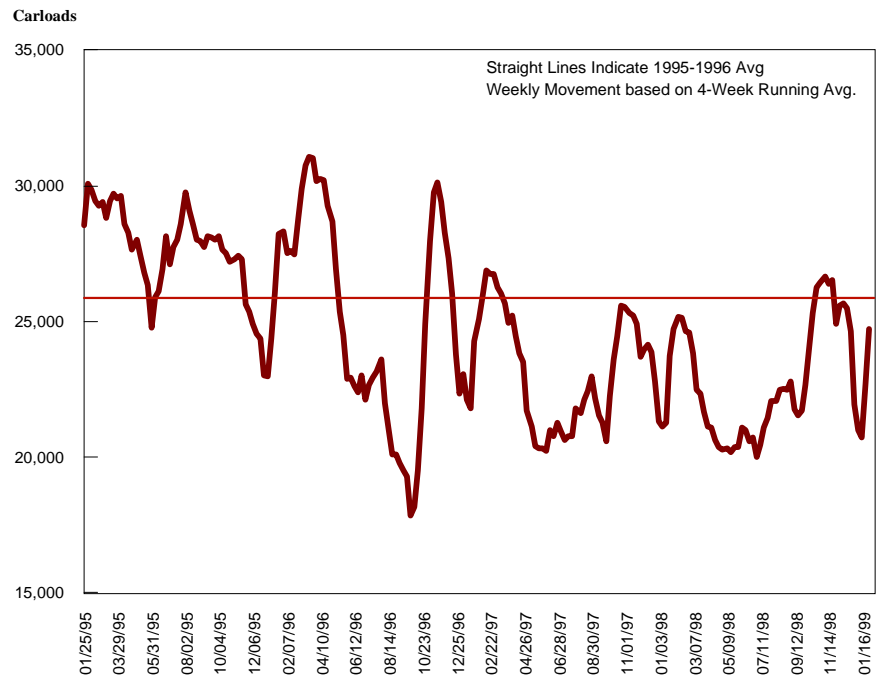
Source: Transportation & Marketing /AMS/USDA
nq- no quote**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
1/16/99	24,855
01/23/99	25,585
01/30/99	26,135
Year to Date - 1999	99,002
Year to Date - 1998**	99,005
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: American Association of Railroads	

**1998 - 52 weeks

* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

	Conrail	CSXT	East		West		Canada	
			IC	NS	BNSF	KCS	CN	CP
01/30/99	941	3,074	1,778	3,141	8,051	694	2,290	3,213
This Week Last Year	805	2,558	1,217	2,740	9,143	637	3,086	4,362
1999 YTD	2,686	10,136	5,724	10,041	34,400	3,109	7,163	12,536
1998 YTD*	3,570	10,858	4,728	10,984	37,245	2,699	11,471	16,701
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	171,428	272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	129,714	181,387

Source: American Association of Railroads

**1998 - 52 weeks

* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

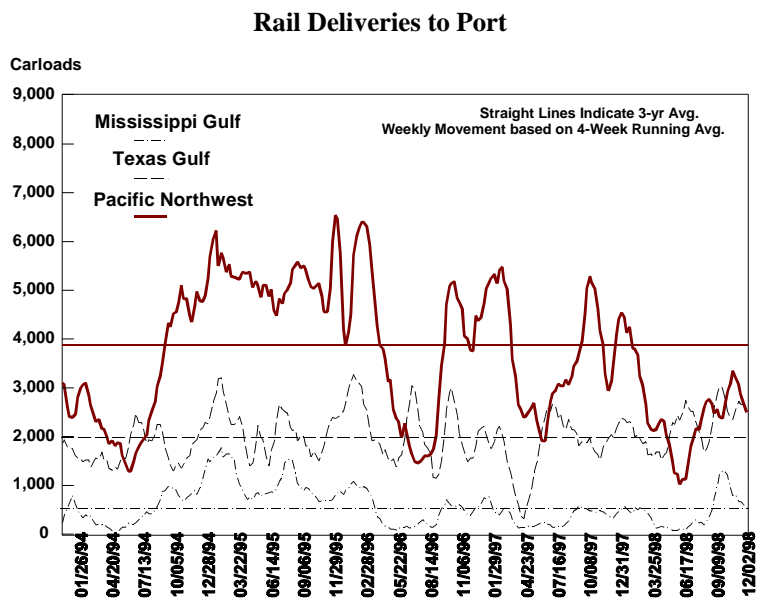
February 1999

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
02/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
02/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$40.31	\$1.33
02/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
02/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,226	\$38.35	\$1.27
02/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
02/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
02/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
02/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
02/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
02/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$27.50	\$0.91
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

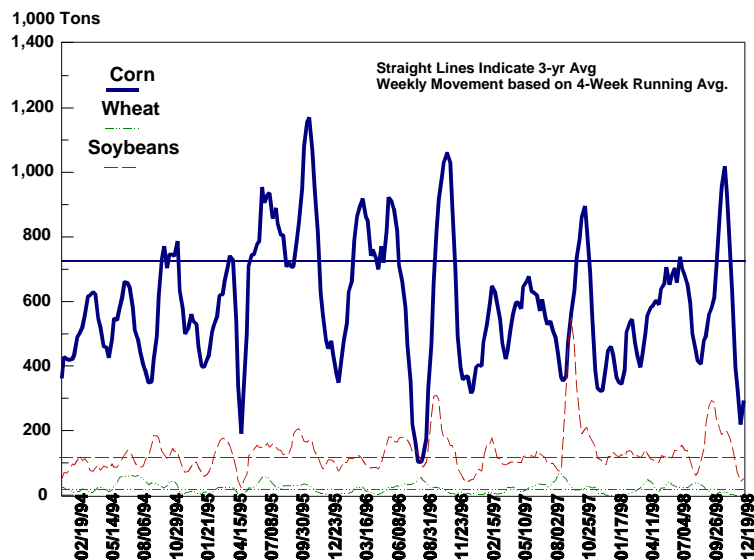
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
12/23/98	464	2,992	2,850	545
12/30/98	422	1,939	2,258	148
01/06/99	442	2,740	2,641	53
01/13/99	764	2,519	2,253	329
01/20/99	840	2,990	2,533	589
01/27/99	1,055	3,069	2,607	682
YTD 1999	3,101	11,318	10,034	1,653
YTD 1998	1,351	7,963	14,067	1,394
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147
Source: Transportation & Marketing/AMS/USDA				



***Note:** Data prior to 12/30/98 has been revised. More recent data has been estimated.

Barge Movements - Locks 27



Barge Grain Movements

for week ending 01/30/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	684	0	120	804
Granite City, IL (L27)	691	0	107	798
Illinois River (L8)	469	0	88	557
Ohio (L52)	104	1	31	255
Arkansas (L1)	0	32	6	38
1999 YTD	1,766	45	542	2,711
1998 YTD	1,688	108	494	2,703
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Miss/25 closed for rehabilitation (12/15/98-3/2/99).

Source: U.S. Army Corp of Engineers

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
01/28/99	1,507	271	821	528	175	3,300	8,489	3,493	15,282
This Week Year Ago	1,370	500	814	444	180	3,307	6,626	3,717	13,650
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	7,253	1,327	4,539	4,110	604	17,833	18,441	12,209	48,483
97/98 YTD	6,856	3,969	4,285	4,130	929	20,169	15,513	15,975	51,657
96/97 Total	2,595	1,643	1,432	1,240	361	7,271	43,991	24,273	75,535
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
02/04/99	223	30	0	110	730	278	184	0	19
1999 YTD	1,082	422	17	422	3,100	1,857	886	31	288
1998 YTD *	1,072	4,373	651	5,048	31,330	14,917	7,270	562	1,392
% of Last Year	21%	7%	0%	26%	24%	15%	21%	0%	7%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service * YTD-Year-to-Date ('98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

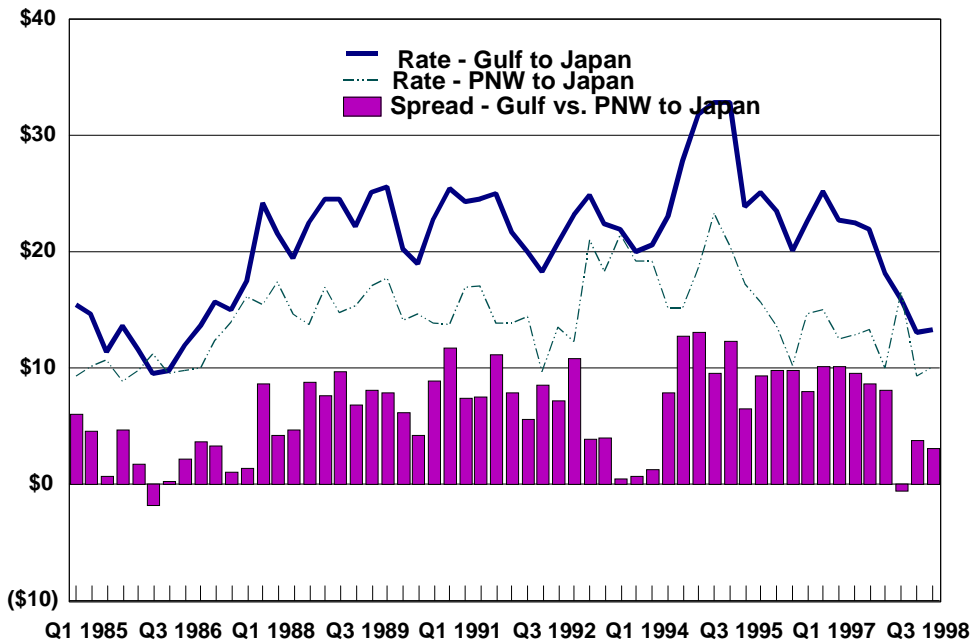
	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 02/04/99			
Vancouver	2,328	420	182
Prince Rupert	857	6	0
Prairie Direct	378	230	120
Thunder Bay	295	93	144
St. Lawrence	1,005	828	0
1999 YTD Exports	5,172	1,586	446
1998 YTD Exports	9,361	2,088	1,339
% of Last Year	55%	76%	33%

Source: Canadian Grains Commission *Year Ago-This Week a Year Ago **
YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
01/28/99	40	49	62	11			14	11	2
02/04/99	39	50	63	11			12	9	9
1998 Range	(19..62)	(34..64)	(40..93)						
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61						
1997 Avg	33	45	58						
1996 Avg	38	46	62						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton

**Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1998 4 th Qtr	1997 4 th Qtr	% Change		1998 4 th Qtr	1997 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$13.33	\$22.01	-39%	Japan	\$10.17	\$13.34	-24%
Mexico	\$14.41	\$13.97	3%	Red Sea/ Arabian Sea		\$20.18	
Venezuela	\$10.87	\$13.59	-20%				
N. Europe	\$8.81	\$11.34	-22%	Argentina to			
N. Africa	\$15.26	\$14.80	3%	N. Europe	\$12.56	\$16.12	-22%
				Japan		\$23.23	

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 02/6/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Baltimore	Indonesia	Heavy Grain	February	35,000	\$21.50
Gulf	Lebanon	Heavy Grain	February	50,000	\$8.95
Gulf	Venezuela	Corn	February	35,000	\$9.25
Gulf	So. Korea	Heavy Grain	February	52,000	\$13.75
Gulf	Japan	Heavy Grain	Feb./March	54,000	\$14.20-14.50
PNW	Colombia	Wheat	February	30,000	\$14.17
Paranagua	Rotterdam	Heavy Grain	February	55,000	\$9.25
Brazil	Europe	Heavy Grain	February	50,000	\$9.25
R. Plate/B. Blanca/Nec.	Sri Lanka	Wheat	February	50,000	\$14.50
France	Saudi Arabia	Barley	Prompt	50,000	\$11.50

Source: Maritime Research Inc.